

M/023/004  
COPY

LAW OFFICES  
PRUITT, GUSHEE & FLETCHER

SUITE 1850 BENEFICIAL LIFE TOWER  
SALT LAKE CITY, UTAH 84111  
(801) 531-8446

ROBERT G. PRUITT, JR.  
OLIVER W. GUSHEE, JR.  
F. ALAN FLETCHER  
THOMAS W. BACHTELL  
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TELECOPIER (801) 531-8468

OF COUNSEL  
BRENT A. BOHMAN

DOGM  
MINERALS PROGRAM  
FILE COPY

December 20, 1989

RECEIVED  
DEC 22 1989

DIVISION OF  
OIL, GAS & MINING

Lynn Findlay  
Fishlake National Forest  
115 East 900 North  
Richfield, Utah 84701

Re: Leamington Cement Plant--  
Ash Grove Cement West, Inc.

By telephone, we recently discussed Doug Reed's letter to Terry Kerby of Ash Grove Cement West, Inc. dated June 26, 1989 (copy attached) regarding the necessary documentation to complete the transfer of authority under the USFS Plan of Operations from Southwestern Cement Enterprises, Inc. on your records. As you may know, the State of Utah, through its Division of Oil, Gas & Mining ("DOGM"), has jurisdiction over all mining operations in the State of Utah and approved a Notice of Intention to Conduct Mining Operations in coordination with the USFS actions, approving its Plan of Operations. I mentioned to you that an operator in Utah in Ash Grove's circumstances, has a dual responsibility to comply with the rules and regulations of both USFS and the State of Utah. For your information, DOGM enacted new regulations effective December, 1988. My understanding is that the two government agencies have a cooperative agreement in regard to this operation. It is important to meld the two agency requirements in order to avoid duplicating documentation of the transfer.

Enclosed for your review and approval is a set of documents which is responsive to Doug Reed's letter on an item-by-item basis and an additional requirement of DOGM listed as #7):

1. Resolution of the Board of Directors of Southwestern authorizing the transfer;
2. Resolution of the Board of Directors of Ash Grove authorizing acceptance of the transfer;
- 3,4,5. Division of Oil, Gas and Mining ("DOGM") form MR-TRL (revised 3/89) entitled Transfer of Notice of Intention, Large Mining Operations, to be executed by both Southwestern and Ash Grove.

Lynn Findlay  
December 20, 1989  
Page 2

6. A proposed new surety bond on the USFS form attached.
7. DOGM form MR-RC (revised 2/17/89), Reclamation Contract.

By copy of this letter, I am also furnishing a set of these documents to the Utah Division of Oil, Gas and Mining for similar review and approval.

Following receipt of comments from each of USFS and DOGM, but subject to review by Southwestern and Ash Grove, the various documents will be executed to complete the transfer.

Very truly yours,

  
O. W. Gushee, Jr.

OWG:jh  
1223.01

Enclosures

cc: Lowell Braxton, Associate Director,  
Utah Division of Oil, Gas & Mining (w/encls.)

Erich Merrill (w/encls.)

COPY



United States  
Department of  
Agriculture

Forest  
Service

Fishlake  
National Forest

390 S. Main  
Fillmore, Utah 84631  
801 743-5721

Reply to: 2810

Date: June 26, 1989

DOGM  
MINERALS PROGRAM  
FILE COPY

Terry R. Kerby  
Ash Grove Cement West, Inc.  
P.O. Box 51  
Nephi, Utah 84648

Dear Terry,

We received your letter of June 16, concerning the transfer of authority to operate from Southwestern Portland Cement Enterprises, Inc. to Ash Grove Cement West, Inc. In order to complete your request we need the followings:

- 1) a resolution from the Board of Directors of Southwestern authorizing the transfer;
- 2) a resolution from the Board of Directors of Ash Grove authorizing acceptance of such transfer;
- 3) documentation, signed by an officer of Southwestern, which defines the responsibilities, properties, or whatever, that are being transferred to Ash Grove;
- 4) documentation, signed by an officer of Ash Grove, specifying that Ash Grove accepts all responsibilities and obligations specified or otherwise included in:
  - a) the transfer;
  - b) the "Operations Plan" submitted to the Forest Service on 9/18/79 by Martin Marietta Corporation and accepted by Southwestern;
  - c) the Forest Service letter of approval, dated 3/14/80, for the above 9/18/79 Operations Plan;
- 5) documentation signed by an officer of each Southwestern and Ash Grove, stating the date the transfer will become effective and the date the transfer will terminate; and,
- 6) a surety bond, properly executed by Ash Grove and their surety, in the amount of \$386,000 as replacement for the Southwestern bond presently in effect covering the cement plant and the mining operations. A supply of the required form (FS-6500-7, Reclamation Performance Bond) is enclosed for that purpose.


Caring for the Land and Serving People



The signatures for Southwestern and Ash Grove need to be notarized.

Please let us know if there are any questions. Thank you for your cooperation.

Sincerely,

  
DOUGLAS P. REID  
District Ranger

Enclosures

cc: Forest Supervisor, Fishlake National Forest, Richfield, UT 84701



DOGM  
MINERALS PROGRAM  
FILE COPY

For Division Use:  
File No.: M/023/004  
Effective Date: \_\_\_\_\_  
DOGM Lead: \_\_\_\_\_

COPY

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

TRANSFER OF NOTICE OF INTENTION  
LARGE MINING OPERATIONS

---ooOoo---

*USFS Plan of Operation (approved 3/14/80)*

1. (a) Notice of intention to be transferred (file number): M/023/004  
(b) Name of mining operation: Leamington Quarry  
(c) Location of mining operation (county): Juab  
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):  
Southwestern Cement Enterprises, Inc.  
1200 Smith Street, Suite 2500  
Houston, Texas 77002
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):  
ASH GROVE CEMENT WEST, INC. - P.O. Box 51, Nephi, Utah 84648  
(801) 857-2380  
Duane Crutchfield, Plant Manager  
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:  
George M. Wells, President, Ash Grove Cement West, Inc.  
5550 S. W. Macadam Ave., Suite 300  
Portland, Oregon 97201-3786
3. (a) The total disturbed area identified in the approved notice of intention: 273 Acres  
(b) The actual number of acres disturbed by the operation through date of transfer: 159 Acres  
(c) Attach a legal description of above acreages as Appendix "A" and a map of suitable scale with actual disturbed areas clearly shown and identified.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC). (pertaining to USFS Plan of Operations approved March 14, 1980, and DOGM Notice of Intention M/023/004)

I, \_\_\_\_\_ being first duly sworn under oath,  
deposes and says that I am \_\_\_\_\_  
(officer or agent)

execute and deliver the foregoing obligations; that I have read the said application and fully know the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement I certify that the Transferor is USFS Plan of Operations approved March 14, 1980, and rules and regulations pertaining in full compliance with the Utah Mined Land Reclamation Act, the Rules and thereto; and Regulations promulgated thereunder, and the terms and conditions of Notice of Intention No. M/023/004 .

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name (Typed or Print)  
\_\_\_\_\_  
Title

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Notary Public

My commission Expires:

\_\_\_\_\_, 19\_\_\_\_.

State of \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

SWORN STATEMENT OF TRANSFEREE

George M. Wells, being first duly sworn under oath,  
deposes and says that I am President  
(officer or agent)  
of Ash Grove Cement West, Inc.; and that I am duly authorized to  
(Corporation/Company Name)

execute and deliver the foregoing obligations; that I have read the  
application and fully understand the contents thereof; that all statements  
contained in the transfer application are true and correct to the best of my  
knowledge and belief. By execution of this statement, the Transferee agrees  
the United States Forest Service Plan of Operations approved March 14, 1980, and rules  
to be bound by the terms and conditions of Notice of Intention and regulations  
pertaining thereto  
No. M/023/004, the Utah Mined Land Reclamation Act, and the Rules and  
Regulations promulgated thereunder.

ASH GROVE CEMENT WEST, INC.

By: \_\_\_\_\_  
Signature  
George M. Wells  
Name (Typed or Print)  
President  
Title

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission Expires:

\_\_\_\_\_, 19\_\_\_\_.

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss.

CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant the same, subject to the following limitations and conditions:

- (a) This transfer of notice of intention grants only the right to affect the lands described in Appendix "A".
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC). The surety shall be effective on the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired legal right to mine for lands described in Appendix "A".

COMMENTS:

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APPROVED: \_\_\_\_\_  
(Signature)  
Director, Division of Oil, Gas and Mining

Effective Date: \_\_\_\_\_  
NOI No.: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
(Signature)  
Assistant Attorney General

MN9/45-48



APPENDIX "A"

Transfer paragraph reference:

- 3.(a) 273 acres in Sections 3, 4 and 5, Township 15 South, and in Sections 32 and 33, Township 14 South, Range 3 West, SLM, Juab County, Utah
- (b) 159 acres shown on blue line print (two (2) parts), "Disturbed Land Outline", Drawing #B-89-4-0465, dated October 13, 1989, also attached.

CERTIFICATE OF CORPORATE RESOLUTIONS  
OF  
SOUTHWESTERN CEMENT ENTERPRISES, INC.

The undersigned hereby certifies that he is the duly elected, qualified and acting Secretary of Southwestern Cement Enterprises, Inc., a Delaware corporation, ("Company"), and as such is familiar with the facts herein certified and is duly authorized to certify the same, and hereby further certifies that the resolution attached hereto as Exhibit A was duly adopted at a meeting of the Board of Directors of the Company held on \_\_\_\_\_, 19\_\_\_\_, throughout which meeting a quorum was present and voting at all times, and that such resolution has not been amended or rescinded and is in full force and effect at the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this \_\_\_\_\_, day of \_\_\_\_\_, 19\_\_.

Secretary  
Southwestern Cement  
Enterprises, Inc.

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) :ss.

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ Secretary of Southwestern Cement Enterprises, Inc. a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of Southwestern Cement Enterprises, Inc.

Given under my hand and seal of office on this the \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_.

Notary Public  
Residing at:

My Commission Expires:

## EXHIBIT A

WHEREAS, Southwestern Cement Enterprises, Inc. ("Company") entered into a Lease and Purchase Option Agreement dated March 21, 1984 ("Agreement") with Martin Marietta Corporation, a Maryland corporation ("Martin"), pursuant to which the Company leased from Martin its existing cement plant and related facilities in Leamington, Utah ("Plant"); and

WHEREAS, Martin conducted mining and reclamation operations at the Plant under a Plan of Operations submitted to the United States Forest Service ("USFS") on September 18, 1979 ("Plan of Operations"), which was approved by the USFS in a letter to Martin dated March 14, 1980 and Utah Division of Oil, Gas & Mining ("DOGM") approved Notice of Intention to Conduct Mining Operations (N/I); and

WHEREAS, Martin transferred to the Company and the Company accepted Martin's authorization to conduct such mining and reclamation operations at the Plant and all responsibilities specified in the Plan of Operations and in the USFS letter approving the Plan of Operations, and the DOGM N/I, for so long as Southwestern operated the Plant; and

WHEREAS, the Agreement was terminated and Company surrendered the Plant; and

WHEREAS, Martin Marietta Corporation conveyed the Plant to Ash Grove Cement West, Inc. under Agreement to Purchase and Sell Assets dated as of May 8, 1989.

NOW, THEREFORE, BE IT RESOLVED, that the appropriate officers are hereby authorized on behalf of Company to execute, deliver and

file with the appropriate officials of United States Forest Service ("USFS") and State of Utah, Division of Oil, Gas and Mining ("DOGM") all transfer documents required to effect a transfer of authority to operate mining and reclamation operations at the Plant from Company to Ash Grove Cement West, Inc. under the described USFS Plan of Operations and DOGM N/I effective as of May 8, 1989.

COPY

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, the undersigned \_\_\_\_\_ Secretary of Ash Grove Cement West, Inc., a Nevada corporation (herein called the "Corporation"), do hereby certify that the following person at all relevant times was and is duly elected to the position listed next to his name, was and is qualified to hold that position, and was and is fully authorized and empowered to execute the instruments and to act for and bind the Corporation for the purposes stated in the Resolution, attached as Exhibit A, and said person now holds that position:

George M. Wells

President

I am authorized to execute and deliver this certificate on behalf of Ash Grove Cement West, Inc.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_

\_\_\_\_\_  
Secretary

STATE OF \_\_\_\_\_ )  
                                  : ss.  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ Secretary of Ash Grove Cement West, Inc. a Nevada corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of Ash Grove Cement West, Inc.

Given under my hand and seal of office on this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Notary Public

Residing at: \_\_\_\_\_

My Commission Expires:

\_\_\_\_\_



EXHIBIT A

WHEREAS, ASH GROVE CEMENT WEST, INC., by Agreement to Purchase and Sell Assets ("Agreement") between Ash Grove Cement West, Inc. ("Ash Grove") and Martin Marietta Corporation ("Martin"), has acquired title to the existing cement plant and related facilities near Leamington, Utah ("Plant"); and

WHEREAS, Martin conducted mining and reclamation operations at the Plant under a Plan of Operations submitted to the United States Forest Service ("USFS") on September 18, 1979 (Plan of Operations) and approved by the USFS by letter to Martin dated March 14, 1980; and

WHEREAS, Martin also held an approved Notice of Intention to Commence Mining Operations, ACT/023/004 from the State of Utah, Division of Oil, Gas and Mining ("DOGM"); and

WHEREAS, both the USFS Plan of Operations and the DOGM Notice of Intention were subsequently transferred (and such transfers approved by both agencies) to Martin's Lessee, Southwestern Cement Enterprises Inc. ("Southwestern"); and

WHEREAS, Southwestern now desires to transfer to Ash Grove and Ash Grove desires to accept the authority under the USFS Plan of Operations and the DOGM Notice of Intention to conduct mining and reclamation operations pursuant thereto.

NOW, THEREFORE, BE IT RESOLVED, that the president of Ash Grove is hereby authorized to take such action and execute all documents as may be necessary to transfer the USFS Plan of Operations and the DOGM Notice of Intention to Ash Grove Cement West, Inc. and to commit Ash Grove to comply with all obligations

and responsibilities specified or included in the USFS Plan of Operations and the DOGM Notice of Intention effective as of May 8, 1989.

COPY

U.S. DEPARTMENT OF AGRICULTURE  
Forest Service

## RECLAMATION PERFORMANCE BOND

(Minerals Operating Plan and/or Exploration Permit, Including Geothermal)

(Reference FSM 6506)

**INSTRUCTIONS:** (1) This form is authorized for use whenever a Performance Bond is required in connection with National Forest Reclamation Activity. (2) The full legal name and business address of the Principal shall be inserted in the space designated 'Principal' on the face of this form. The bond shall be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved, evidence of his authority must be furnished. (3) Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein. (4) Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the work 'Seal', and, if executed in Maine or New Hampshire, shall also affix an adhesive seal. (5) The name of each person signing this bond should be typed in the space provided.

Principal (Legal name and business address)

Ash Grove Cement West, Inc.  
Suite 300  
5550 S.W. Macadam Avenue  
Portland, Oregon 97201-3786

Date Bond Executed

Type of Organization (X Appropriate Box)

- ☐ Individual
- ☐ Partnership
- ☐ Joint Venture
- ☒ Corporation

Surety(ies) (Name(s) and business address(es))

State of Incorporation

Nevada

### PENAL SUM OF BOND

Million(s) \$	Thousand(s) \$	Hundred(s) \$
	386	000

**KNOW ALL MEN BY THESE PRESENTS,** That we, the Principal and Surety(ies) hereto, are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum for the payment of which we bind ourselves, and each of our heirs, executors, administrators, and successors, jointly and severally: Provided, That, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum 'jointly and severally' as well as 'severally' only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

### SCHEDULE OF OPERATING PLANS - REGION \_\_\_\_\_

Name of National Forest	Operating Plan Number	Date	Amount Allocated to Operating Plan (\$)	Amount of Allocated Restored (\$)	Date Restored	Unallocated Balance (\$)
Fishlake	2810	9/18/79 App 3/14/80	\$386,000			



**THE CONDITION OF THIS OBLIGATION IS SUCH,** That whereas the Principal has an interest in the Operating Plans identified in the Schedule of Operating Plans above; and

**WHEREAS,** the Principal and Surety agree that, without notice of the surety, the coverage of this bond, in addition to the present operating plans of the Principal, shall extend to and include:

1. Any operating plan approved by the Forest Service and issued to the Principal in the Region or Forests named above, or later named in a rider, the coverage to become effective immediately upon approval by the Forest Service.
2. Any operating plan hereafter approved by the Forest Service in the Region or Forests named above, to become effective immediately upon approval by the Forest Service.
3. Any extension of the operating plan, such coverage to continue without interruption due to expiration of the operating plan.
4. Any modification of an operating plan, include obligations thereunder, whether made by agreement, suspension of operations, or otherwise; and

**WHEREAS,** the Principal and Surety hereby agree that notwithstanding the termination of any operating plan covered by this bond, the bond shall remain in full force and effect as to all remaining operating plans covered by this bond.

**NOW, THEREFORE,** if the Principal shall: Perform and fulfill all the reclamation provisions of all operating plans referred to in the Schedule of Operating Plans and shall also perform and fulfill all the reclamation provisions of any and all duly authorized modifications of said operating plans that may hereafter be made, then the above obligations are to be void; otherwise to remain in full force and effect.

**IN WITNESS WHEREOF,** the Principal and Surety(ies) have executed this reclamation bond and have affixed their seals on the date set forth above.

PRINCIPAL				
Signature(s)	1. _____ (Seal)	2. _____ (Seal)	Corporate Seal	
Name(s) and Titles (Typed)	1. George M. Wells, President	2. _____		
SURETY(IES)				
Name and Address		State of Inc.	Liability Limit	Corporate Seal
Signature(s)	1. _____	2. _____		Corporate Seal
Name(s) and Titles (Typed)	1. _____	2. _____		
Bond Premium	Rate Per Thousand \$ _____		Total \$ _____	

Remarks

APPENDIX TO RECLAMATION BOND NO. \_\_\_\_\_

COMPLIANCE WITH THE UTAH MINED LAND RECLAMATION ACT

1. The operator shall reclaim non-federal lands disturbed by the operation as required by the Utah Mined Land Reclamation Act of 1975, Section 40-8-1, etc., Utah Code Annotated 1953, as amended.

2. Prior to release of this bond, the Fishlake National Forest shall obtain written approval from the Division of Oil, Gas & Mining, State of Utah.

The parties to the surety arrangements agree to the above conditions this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

ASH GROVE CEMENT WEST, INC.

By: \_\_\_\_\_  
President

STATE OF UTAH, DIVISION OF OIL,  
GAS & MINING

By: \_\_\_\_\_  
Director

FISHLAKE NATIONAL FOREST

By: \_\_\_\_\_

\_\_\_\_\_  
[INSURANCE COMPANY]



COPY

FORM MR-RC  
Revised 2/17/89  
RECLAMATION CONTRACT

File Number M/023/004  
Effective Date \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/023/004  
(Mineral Mined) Limestone, Shale & Quartzite

"MINE LOCATION":

(Name of Mine) Leamington Quarry  
(Description) parts of Sections 3,4 and 5, Township 15 South,  
and Sections 32 and 33, Township 14 South,  
Range 3 West, SLM, Juab County, Utah

"DISTURBED AREA":

(Disturbed Acres) 273  
(Legal Description) Exhibit A

"OPERATOR":

(Company or Name) ASH GROVE CEMENT WEST, INC.  
(Address) P.O. Box 51  
Nephi, Utah 84647  
(Phone No.) (801) 857-2380

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

C T CORPORATION SYSTEM

50 West Broadway

Salt Lake City, Utah 84101

(801) 364-1228

"OPERATOR'S OFFICER(S)":

George M. Wells, President  
Ash Grove Cement West, Inc.  
Suite 300  
5550 S.W. Macadam Avenue  
Portland, Oregon 97201-3786

"SURETY":

(Form of Surety - Exhibit B)

Corporation Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

"SURETY AMOUNT":

(Escalated Dollars)

\$386,000

"ESCALATION YEAR"

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/023/004 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing in accordance with the Act and implementing rules.
3. Operator agrees to pay <sup>legally determined</sup> public liability and property damage <sup>operations</sup> claims resulting from mining <sup>as</sup> determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, <sup>after notice and hearing,</sup> result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By \_\_\_\_\_  
Chairman, Board of Oil, Gas and Mining



DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
Director

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) ss:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared before me, who being by me duly sworn did say that he/she, the said \_\_\_\_\_ is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.

\_\_\_\_\_  
Notary Public

Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

OPERATOR:  
ASH GROVE CEMENT WEST, INC.

By \_\_\_\_\_  
Corporate Officer - Position                      Date

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )      ss.

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared before me \_\_\_\_\_ who being by me duly sworn did say that he/she, the said \_\_\_\_\_ is the \_\_\_\_\_ of \_\_\_\_\_ and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said \_\_\_\_\_ duly acknowledged to me that said company executed the same.

Notary Public

Residing at: \_\_\_\_\_

My Commission Expires:

Surety (Company)

Date \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss:

Notary Public

Residing at: \_\_\_\_\_

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

EXHIBIT A

See Transfer of Notice of Intention, Large Mining Operations, from Southwestern Cement Enterprises, Inc. to Ash Grove Cement West, Inc.